

Long Term Care Social Insurance Model Elements

	Hawaii	Germany	Japan	Washington Parameters
Eligibility criteria (e.g., level of disability and populations covered)	Benefit trigger was failure of 2 ADLs, with a 3 day waiting period	All ages. There are 15 normal, routine day-to-day activities which are measured for the assessment. People are grouped into three levels of care and have limitations in 2+ ADLs. Eligibility is based on the number of times a person needs care in a day.	Age 40+. A computerized, standardized, 85-question assessment instrument is used to assign each applicant to one of six need levels. Japan covers people with minimal disability.	2 ADLs -- cognitive, behavioral, or physical limitations; (concern about traumatic brain injuries); Universal or insurance program? Age Specific?
Services/benefit covered	Includes home and institutional services.	Includes home care benefits, institutional care, and other benefits, such as for caregivers. Participants can also opt for a cash benefit instead of services.	Includes range of in home and institutional services. Housing excluded and institutional include \$300/month hotel costs.	Home and Community Based and Institutional Services; Cash Benefit? Transportation? Home Modifications? Peg to current package of medicaid services in LTC?
Benefit levels and allocations	Cash value of \$90/ day for institutional or nursing home services, and \$65/ day for home or community care.	Three benefit levels based on severity of disability. Participants can opt for a cash benefit, which is 40-50% of the value of services. Monthly cash value is approximately \$250 - \$850 per month; Institutional value is approximately \$1,300 - \$1,800 per month. Not indexed for inflation.	Six care levels ranging from about \$500/month of services up to about \$3,000/month.	Wrap around services or Opt out for 50% of cash value of services. Iterations -- Low Benefit --20% below current statewide average; Middle Benefit -- current statewide average across all services; High Benefit -- 20% above current statewide
Mandatory/voluntary	Mandatory	Mandatory with opt out provision for those with high incomes, if they can demonstrate private coverage.	Mandatory	Mandatory -- Opting out?
Portability	Those who move not obligated to pay in, but can choose to.	Within Germany no portability issues.	Within Japan no portability issues.	Tied to Vesting -- similar to a defined benefit approach -- cash only if you leave Washington.
Residency/other requirements for program eligibility	"Vested" over 10 years, with 1/10 of the face benefit added for each year of participation; no benefits before third year and then at 30% of the face value. Same for lifetime residents and newcomers.	No waiting period; everyone insured immediately upon enrolling.	Anyone age 40+ can get benefits if they qualify: age 40-64 based on age-related disease (e.g., early onset Alzheimer's); 65+ based on ADLs.	Vesting -- same as Hawaii -- those in system are grandfathered? Those who are close to retirement can buy into the system in a lump-sum (equivalent to amount that would have been paid during vesting period).
Funding mechanism and collection – age or other requirements, premium, salary...	\$10/ month income tax surcharge on every Hawaii tax filer over the poverty line, would increase 3.2% each year.	1.7% of a person's salary is divided equally between employees and employers (0.85% each), similar to the pension, health and unemployment insurance systems. To compensate employers, one paid holiday was eliminated to help offset the cost of the program.	Every citizen age 40+ contributes premiums, which are on a sliding scale basis according to income, averaging \$30/month for 65+. Employers contribute half of the amount. Half of the revenues come from taxes. Municipalities are the insurers and manage the program.	Need to determine the cost of the system. Then determine the mechanism. Payroll? Must be a trust fund (lock box) that can only be used for LTC benefits.
Cost-sharing/copays/elimination period	To the extent that the daily benefit level does not cover the cost of care	Co-payment rises with the care level.	10% copay for all services with a ceiling for those with low incomes with a catastrophic limit. Fixed premiums on a sliding scale based on income.	Recipient responsible for cost of care above the benefit level. 2 Years of benefit or lifetime benefit; Determine waiting period after the cost is developed. Medicare is primary payor during the waiting period.
Incentives for continued family care supports	Cash benefit so a family can take the money and select package of support services.	Cash benefit of approximately \$250- \$850 per month (in 2004) depending on level of care needed. Also includes approximately \$1,800 per year for professional homecare for caregiver respite. No limits on use of these funds.	No cash benefit to cover family or other informal care. No consumer direction.	
Start-up costs/vesting	10 year vesting with 3 year minimum requirement.	Anyone with severe disabilities can get benefits, regardless of age.	Anyone age 65+ can get benefits	
Wrap-around policies	Allowed and limited benefit could encourage.	Allowed, but majority opt for cash payment.	Little incentive for wrap-around with modest copay provisions.	
Interaction with Medicaid/Safety Net	Continues intact.	N/A	N/A	What ever we do the funding serves as the match
Start Date	Legislature passed in 2002-2003, but Governor did not sign.	April 1, 1995	April 1, 2000	